

Agenda

Lansing Housing Commission

February 23, 2022

1. Call to Order
 - a. Roll Call
 - b. Approval of Minutes of January 26, 2022
2. Action Items:
3. Informational Items:
 - a. Finance Report January 2022 Steven Raiche
 - b. Housing Choice Voucher January 2022 Jennifer Burnette
 - c. Asset Management Report January 2022
 - LaRoy Froh & Scattered Sites Marcus Hardy
4. Discussion Items:
 - a. Section 18 Update
5. Other Items:
6. Executive Director's Comments.
7. President's Comments
8. Public Comment – limit 3 minutes per person.
9. Adjournment.



Minutes of January 26, 2021

Commissioner Henry called the meeting to order at 5:34 p.m. Mr. Fleming, called the roll.

PRESENT AT ROLL CALL: Commissioners Emma Henry, Don Sober, Loria Hall, Heather Taylor joined at 6:03 pm, Ashlee Barker

STAFF:

Douglas Fleming
Kim Shirey

Marcus Hardy
Jennifer Burnette

Steven Raiche – Contractor
Victor Verchereau – Contractor

Guests:

None

Commissioner Barker moved and Commissioner Hall seconded a motion to approve the minutes of the December 20, 2021, commission meeting. **The Motion was approved by all members present.**

Action Items:

Resolution 1330 – approval of changes to the Resident Selection Criteria for Capital City Apartments formally known as South Washington.

- Doug – Capital City formally known as South Washington used to be a senior building and at some point, it was difficult to rent to seniors only at that time, so they changed their preferences to basically let anyone live there. LHC wants to reinstitute turning the building back into a senior building. This will also alleviate some of the management issues with having 22-year-old individuals and 55- and 60-years old's living in the same building. With the different groups on different schedules with what they are doing. Changing the preference when they come off the waitlist to senior 62+ and senior 50+ will help this. That is why we want to change the tenant selection plan with these preferences.
- Commissioner Barker asked once this is instituted would this impact existing residents that live in the building. Answer no it will not. Anyone that does not meet the preference



criteria that is currently living in the building can remain in the building. It is for the waitlist for future move-ins, we will use these preferences.

- Commissioner Hall had a concern, it is difficult for seniors to live with 20, 25-year-olds. Is it difficult to just make the building senior? Answer yes, it is. That is why we are doing the preference first. HUD had many steps to go through to make the building a senior building. It is our intention to go through all the steps required from HUD to make the building a senior building. So, for now that is why we want to change the preference so we don't fill the building with a lot of younger people who will get grandfathered in and be able to stay until they move out.

Commissioner Barker motioned and Commissioner Sober seconded to approve. Mr. Fleming took a roll call. **Commissioner Hall aye, President Henry aye, Commissioner Sober aye. Four ayes and no nays.**

Additional Action Item – Doug's bonus per his contract.

- President Henry – as you all know Doug is serving as a contract employee for LHC and doesn't have the benefits of being a standard W-9 employee. In his contract, he has a bonus arrangement every year by January 31st the Board has to approve that bonus.

President Henry motioned and Commissioner Hall seconded a motion to approve the bonus. **The Motion was approved by all members present.**

Informational Items:

Finance Report January 2022

Steven Raiche

- Steven met with the finance committee (Doug, Emma, and Ashley). In the month of December, we received additional operating money for our LIPH amps this is a year-to-date true-up for an additional allowance from HUD which brought us to 97% of what we budgeted for the calendar year ending December 31. We budgeted 92% in our current year budget. Our year-to-date financials are in good order compared to the budget approved by the Board.
- Doug – one of the reasons we moved to RAD is that HUD awards us a certain amount of operational funds every year. They start out at 86% or 87% then they move to whatever budget they have. HUD keeps going back to congress to look at where they



are at with their budget during the year at the end of the year, they say we happen to have more funds, so this year public housing authorities are going to give you a few more dollars. It could be 92 cents on the dollar it could be 98 cents on the dollar. There have been years it has been over 100% of what we ask for budget. That happens a lot less frequently. One of the good things about moving to RAD with our properties is that under a HAP contract we get the revenue tied to the actual rents. So, whatever rents we collect every month minus the bad debt that is what our revenue is for the year. So, we control our revenue under that scenario. That is one of the huge advantages of moving to a RAD process. I just want to point out that when Steve says we got extra revenue from HUD in December, that is not unusual, but we never know what that amount is. So, we fly blind basically all year long until HUD tells us how much we will be getting.

- President Henry – Ashley, Steve, Doug, and I had a chance to speak to the auditors yesterday and the general understanding and comments were that they were happy with LHC for cleaning up a few things on the books over the past few years. This specific auditor has been working with us as well over the past years we have gone through RAD. It was cleaning up things like our pension liabilities and all other kinds of things we have been involved with. So, the comments were positive, and it looks like we are moving in a good direction.
- Steve – We wanted to confirm that we got a clean opinion from Plante Moran which is an external audit. It is always nice to have somebody else look at what we are doing and confirm that the number that you are seeing on a monthly basis is consistent with the way they should be reported. A couple of highlights, we continue to operate in a financially strong position. We can provide a lot of services and still build our cash balances. Some of that does relate to some additional COVID funding that we got last year. We are well-positioned to continue to make the statement and be flexible for the opportunities that come up that align with our mission.

Housing Choice Voucher January 2022

Jennifer Burnette

Jennifer Burnette provided a brief overview of the January 2022 HCV Reports.

- LHC issued ten (10) vouchers in the month of January. We had two (2) VASH orientations virtually were held for the month of January 2022 two (2) vouchers were issued.



- Emergency Housing Vouchers: 11 of the 32 Emergency Housing Vouchers have been leased up and are housed, 6 are pending calculation or inspection. We have 15 that are issued and are out searching for housing.
- 100 regular HCV Applications mailed out in December are pending return, 56 households are out searching for units, 7 applicants are pending documentation or final approval, 3 applicants are pending a hearing, 6 units approved and pending inspections and 11 pending leased up.

Asset Management Report – January 2022

LaRoy Froh (LRF) & Public Housing (PH) Scattered Sites – Marcus Hardy

- **LRF** had an occupancy rate of 89% at the end of January. There was zero (0) move-in, zero (0) move-outs and zero (0) transfer.

There are 11 vacant units as they prepare for RAD those units will not be filled. We have a couple of our elderly residents that are in the process of moving to Oliver Gardens. There are 90 open work orders.

- **Public Housing Scattered Sites** had an occupancy rate of 97% at the end of January. There was zero (0) move-in, zero (0) move-outs and zero (0) transfer.

There are 9 vacancies. There are 110 open work orders. The majority of those are City Inspection items that are getting ready to be closed.

Commissioner Henry asked what the move-in process is like. Is it like we have all these vacant units, and it is a mad dash to fill them or how will we be managing this?

Discussion Items:

- RAD update –Doug Fleming
 - Moving forward with the final RAD closing which is LRF is still on schedule for mid to late February. We are creating space for the construction people to do their work. we talked about moving residents off-site so we will have enough space.
 - Construction has begun at Hildebrandt. We have two vacant buildings and one single-story one-bedroom units.



- Waverly Place construction will be done around June 1st. Capital City will hopefully be done by the end of 2022 around November or December. Hildebrandt and LaRoy Froh will be into 2023 before construction will be done.
- Another major milestone at Capital City is they are starting construction on the new offices that will be in the front of the building which will change the look of the front of the building.
- Oliver Gardens is moving through an April submission for tax credits to do a full renovation. They are also looking into adding a three-story building in Oliver Gardens to add 30 additional units.

Other Items:

a. Long Range Planning – Doug Fleming

- We have a date of the next long-range planning. It will be held at 419 Cherry on February 15.

Executive Director's Comments:

Activities

Capital Projects

- Looking into development options for Oliver Gardens (30 units) to renovate and potentially add units. Looking to submit tax credit for this project in April

RAD Activities

- LaRoy Froh will be closing February 2022

Other Activities

- Union negotiations – Finalizing contract.
- We will be moving back in COCC around February 15.
- Moving forward on the Holy Cross grants we will be making an evaluation on whether we want to maintain those grants or apply for those grants long term. The first grant renews either June or July of this year and the 4 grants that we had in total one in June one in July and two in August. We are trying to make a financial evaluation as we have taken those over and trying to work them to see if we can maintain them long term. We



are tracking them financially on their own so we will have a clear picture of where the grants are and what the possibilities are as we move forward with them.

- Finalize the memorandum of understanding of up to \$100,000 that we committed with Capital Area Housing Partnership to support the HARA and some of the other activities that were being provided by Holy Cross.
- Sent the RFP out for the scattered houses. We have had a second meeting with the top bidder. At this point, it is a very fair offer for the houses that they are interested in buying is in excess of 15 million dollars to the agency. We are still doing our due diligence. They are interested in having us continue to manage the properties after they purchase them. That is something we are evaluating. They will provide the capital. They have worked with the Pontiac housing authority. I will be making an in-person visit to talk to the executive director and ask him about his experience and how they worked not only in purchasing the homes from them and how they worked in supporting them. Pontiac is managing their scattered-site portfolio as well for this group. It would be a very similar model which is why I am interested in talking to him and seeing how that whole experience down there and who they feel about it. The group is very well capitalized which is great. They have a total commitment to keeping the units affordable. We will provide the section 18 vouchers for the folks that are living there so they will not have to move. There will be little disruption to the residents in scattered housing.

Other Items: none

President's Comments:

- Audit time in January is always a time to start thinking about what has happened in the last year. If you look at the numbers, it has been crazy even though we have been in a pandemic, and we haven't actually seen each other. We have brought on a couple of new commissioners that have never met and still been able to get a lot done through this group. Great work to everyone involved on the Board, staff, and Doug included, and looking forward to where we can go in the next 12 months. Who knows what we can accomplish next?
- Heather Taylor had a question about Doug's report. With regards to the scattered sites, what is the advantage to us to continue to manage them? Answer – Doug – it would be a solid cash flow that we get for a management fee. We are pretty good at moving people in and getting rid of residents that shouldn't be there. That is kind of our core business that we have done forever and ever. It provides us with a really nice solid cash flow month to month to support all the other activities that we do. The management fee is fair. We feel like with the amount of the management fee that they pay, that with the staff levels that we need to get the job done because of our efficiency and effectiveness it will be a little profit center and will be steady income every month. The reason that we don't want the houses and a big reason why we have entered into section 18 is that the




capital needs of the houses are extensive. It was very difficult to maintain houses at the level that they did.

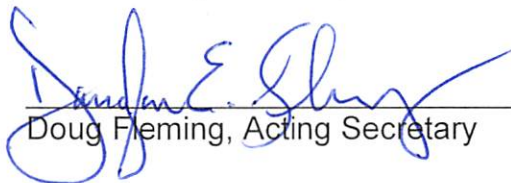
Public Comment: limit 3 minutes per person

Other Business: none

Adjournment: The meeting was adjourned at 6:19 p.m.



Emma Henry Board Chair Date 2/23/2022



Doug Fleming, Acting Secretary Date 2/23/2022

Lansing Housing Commission
Summary Results for January FY2022

| Description | LIPH Total | COCC | HCV Admin | HCV | BA |
|--|--------------|--------------|--------------|--------------|--------------|
| REVENUE: | | | | | |
| Total Revenue Variance - Fav (Unfav) | 111,354 | (37,180) | 18,875 | 15,686 | - |
| Tenant Revenue Variance | 3,837 | - | - | - | - |
| HUD Revenue Variance | 93,019 | 6,678 | 2,126 | 14,903 | - |
| Capital Fund Income | 18,355 | - | - | - | - |
| Other Income | (3,857) | (43,858) | 16,749 | 783 | - |
| Other | - | - | - | - | - |
| Budgeted Revenue | 169,150 | 82,625 | 90,552 | 965,550 | - |
| % Variance fav (unfav) | 66% | -45% | 21% | 2% | 0% |
| EXPENSES: | | | | | |
| Total Expense Variance Unfav (Fav) | 82,770 | 45,070 | 15,991 | (47,685) | 40 |
| Salary Expenses | 22,049 | (25,904) | 4,525 | - | - |
| Employee Benefit Expenses | 20,589 | (8,718) | 5,037 | - | - |
| Utilities | (10,620) | (1,478) | - | - | - |
| Write-offs | (240) | - | - | - | - |
| Legal | (1,500) | (270) | - | - | - |
| Professional Services | 4,487 | 1,060 | (742) | - | - |
| Admin Services | 3,000 | 66,493 | 297 | - | - |
| Insurance | 7,038 | 958 | 911 | - | 40 |
| Sundry/Postage/Office Supplies | (4,561) | 11,261 | (507) | - | - |
| Management Fee | 5,461 | - | 426 | - | - |
| HAP Expense | - | - | - | (47,685) | - |
| Inspections | - | - | 137 | - | - |
| Pilot | 7,069 | - | - | - | - |
| Maintenance Costs | 24,748 | 4,585 | - | - | - |
| Maintenance Contract - Unit Turns | (1,280) | - | - | - | - |
| Other | 6,529 | (2,916) | 5,906 | (0) | - |
| Budgeted Expense | 336,417 | 103,229 | 81,924 | 965,000 | - |
| % Variance fav (unfav) | -25% | -44% | -20% | 5% | 0% |
| Gain(Loss) on Sale of Assets | - | - | - | - | - |
| Curr Mo. Actual Net Income (Loss) | \$ 61,462 | \$ (102,853) | \$ 11,512 | \$ 63,921 | \$ (40) |
| YTD Actual Net Income (Loss) Net of CWIP | \$ 648,967 | \$ (190,017) | \$ (130,324) | \$ (212,892) | \$ 321,723 |
| Prior YR YTD Net Income (Loss) | \$ 1,872,778 | \$ 520,351 | \$ 205,418 | \$ 8,377 | \$ 8,805,123 |
| Cash Balance - January | \$ 2,902,888 | \$ 1,663,669 | \$ 977,030 | \$ 402,493 | \$ 715,336 |
| Cash Balance - December | \$ 2,781,553 | \$ 1,912,158 | \$ 886,887 | \$ 335,327 | \$ 715,336 |
| Cash Balance - June 2021 | \$ 1,916,110 | \$ 1,350,385 | \$ 1,119,729 | \$ 465,867 | \$ 393,609 |
| Cash Balance - June 2020 | \$ 2,579,975 | \$ 856,102 | \$ 827,066 | \$ 496,344 | \$ 2,304,225 |

Lansing Housing Commission
Summary Results YTD for January FY2022

| Description | LIPH Total | COCC | HCV Admin | HCV | BA |
|--|--------------|--------------|--------------|--------------|------------|
| REVENUE: | | | | | |
| Total Revenue Variance - Fav (Unfav) | 1,204,407 | (131,340) | (20,263) | (352,616) | 88,991 |
| Tenant Revenue Variance | 39,531 | - | - | - | - |
| HUD Revenue Variance | 554,164 | 24,386 | (53,519) | (358,128) | - |
| Capital Fund Income | 623,458 | - | - | - | - |
| Other Income | (12,746) | (155,725) | 33,256 | 5,512 | 98,991 |
| Other | - | - | - | - | (10,000) |
| Budgeted Revenue | 2,603,169 | 574,686 | 611,916 | 6,758,850 | 5,764,775 |
| % Variance fav (unfav) | 46% | -23% | -3% | -5% | 2% |
| EXPENSES: | | | | | |
| Total Expense Variance Unfav (Fav) | 654,110 | (80,177) | 43,710 | (135,874) | 2,044 |
| Salary Expenses | 74,768 | (91,722) | 9,948 | - | - |
| Employee Benefit Expenses | 64,746 | (55,617) | 11,746 | - | - |
| Utilities | 74,399 | (7,447) | (411) | - | - |
| Write-offs | (7,490) | - | - | - | - |
| Legal | (9,457) | (1,102) | - | - | - |
| Professional Services | 90,708 | 12,657 | 16,238 | - | - |
| Admin Services | 7,000 | 39,463 | - | - | 1,670 |
| Insurance | 40,479 | (3,437) | 1,066 | - | - |
| Sundry/Postage/Office Supplies | 10,206 | 7,054 | 16,904 | - | - |
| Management Fee | 30,883 | - | (10,703) | - | 374 |
| HAP Expense | 145,394 | - | - | (135,874) | - |
| Pilot | 21,331 | - | - | - | - |
| Inspections | 1,860 | 400 | (7,245) | - | - |
| Maintenance Costs | 145,273 | 15,216 | 435 | - | - |
| Maintenance Contract - Unit Turns | (44,165) | - | - | - | - |
| Other | 8,175 | 4,360 | 5,733 | - | - |
| Budgeted Expense | 2,210,311 | 713,540 | 678,267 | 6,755,000 | 30,000 |
| % Variance fav (unfav) | -30% | 11% | -6% | 2% | -7% |
| Gain(Loss) on Sale of Assets | - | - | - | - | 2,215,454 |
| YTD Actual Net Income (Loss) Net of CWIP | \$ 773,941 | \$ (190,017) | \$ (130,324) | \$ (212,892) | \$ 321,723 |
| YTD Budgeted Net Income (Loss) | \$ 359,980 | \$ (138,854) | \$ (66,351) | \$ 3,850 | \$ 234,775 |
| Prior YR YTD Net Income (Loss) | \$ 1,872,778 | \$ 520,351 | \$ 205,418 | \$ 8,377 | \$ 240,123 |

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January Ratios

| HCV Ratios | | Prior Months | |
|--------------------------|------------------|--------------|-----------|
| Number of Vouchers Used | 1,678 | 12/21 | \$ 592.25 |
| HCV 8002 Expenses | \$ 915,340.18 | 11/21 | \$ 566.41 |
| Average Cost Per Voucher | <u>\$ 545.49</u> | 10/21 | \$ 543.62 |

| | LIPH Ratios | | Prior Months | |
|--|------------------|------------------|--------------|-------------|
| | January 2022 | PY January | | |
| | Total | Total | | |
| Year-to-Date Occupancy Rate | | | 12/21 | 94.6% |
| YTD Average Number of Units Leased | 383 | 797 | 11/21 | 94.1% |
| Number of Possible Units | 407 | 833 | 10/21 | 94.5% |
| Year-to-Date Occupancy Rate | <u>94.1%</u> | <u>95.7%</u> | | |
| Average Revenue Per Occupied Unit | | | 12/21 | \$ 1,207.93 |
| Total LIPH Revenue | \$ 280,503.86 | \$ 501,432.82 | 11/21 | \$ 567.85 |
| Average Revenue Per Occupied Unit | <u>\$ 395.63</u> | <u>\$ 629.15</u> | 10/21 | \$ 530.95 |
| Average Tenant Revenue Per Occupied Unit | | | 12/21 | \$ 70.50 |
| Total Tenant Revenue | \$ 25,668.00 | \$ 111,258.00 | 11/21 | \$ 82.82 |
| Average Tenant Revenue Per Occupied Unit | <u>\$ 67.02</u> | <u>\$ 139.60</u> | 10/21 | \$ 100.57 |
| Average Cost Per Occupied Unit | | | 12/21 | \$ 523.14 |
| YTD Average Monthly Expenses | \$ 409,202.90 | \$ 493,957.09 | 11/21 | \$ 459.92 |
| Average Cost Per Occupied Unit | <u>\$ 577.16</u> | <u>\$ 619.77</u> | 10/21 | \$ 413.79 |

| Company Ratios | | | |
|--|----------------------|---------------------|----------------------|
| Operating Reserves | LIPH | COCC | HCV Admin |
| Bank Account Balance | \$ 2,902,888.38 | \$ 1,663,669.12 | \$ 977,029.68 |
| YTD Expenses | \$ 2,864,420.27 | \$ 633,363.34 | \$ 721,977.13 |
| Number of Months | 7 | 7 | 7 |
| Average Monthly Expenses | <u>\$ 409,202.90</u> | <u>\$ 90,480.48</u> | <u>\$ 103,139.59</u> |
| Number of Months of Operating Reserves (would like to have 4 months of operating reserves) | <u>7.09</u> | <u>18.39</u> | <u>9.47</u> |
| Prior Months | | | |
| 12/21 | 7.48 | 23.65 | 8.53 |
| 11/21 | 6.92 | 20.82 | 10.63 |
| 06/21 | 4.58 | 18.52 | 13.62 |
| 06/20 | 5.62 | 14.23 | 11.20 |
| 06/19 | 4.19 | 17.81 | 7.12 |

Lansing Housing Commission
Budget vs. Actual
AMP Consolidated
For the Period Ending January 31, 2022

| | YTD Amount | YTD Budget | YTD Variance | Prior YTD Actual | Annual Budget | Remaining Budget |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| Tenant Rental Revenue | \$ 296,161 | \$ 256,630 | \$ 39,531 | \$ 645,586 | \$ 365,785 | \$ 109,155 |
| Tenant Revenue - Other | 16,667 | 18,668 | (2,001) | 42,906 | 30,180 | 11,513 |
| Total Tenant Revenue | <u>\$ 312,828</u> | <u>\$ 275,298</u> | <u>\$ 37,531</u> | <u>\$ 688,492</u> | <u>\$ 395,965</u> | <u>\$ 120,668</u> |
| HUD PHA Operating Grants | 2,855,214 | 2,198,393 | 656,822 | 3,292,783 | 3,013,536 | 815,143 |
| CFP Operational Income | 701,528 | - | 701,528 | 1,043,394 | - | - |
| Fraud Recovery and Other | 2,231,529 | 13,476 | 2,218,054 | (2,280,621) | 29,667 | 16,192 |
| Total Operating Revenue | <u>\$ 6,101,100</u> | <u>\$ 2,498,328</u> | <u>\$ 3,602,772</u> | <u>\$ 2,744,048</u> | <u>\$ 3,460,687</u> | <u>\$ 963,449</u> |
| Administrative Salaries | \$ 142,941 | \$ 122,586 | \$ 20,355 | \$ 249,639 | \$ 181,251 | \$ 58,665 |
| Auditing Fees | 20,000 | 22,990 | (2,990) | 21,000 | 22,990 | - |
| Management Fees | 168,693 | 137,810 | 30,883 | 722,369 | 213,107 | 75,296 |
| Bookkeeping Fees | 23,747 | 19,920 | 3,827 | 51,630 | 30,795 | 10,875 |
| Employee Benefits Contributions - Administrative | 41,783 | 54,312 | (12,529) | 92,185 | 80,537 | 26,225 |
| Office Expenses | 68,326 | 64,380 | 3,946 | 99,996 | 84,482 | 20,102 |
| Legal Expense | 10,043 | 19,500 | (9,457) | 29,809 | 27,000 | 7,500 |
| Travel | 107 | - | 107 | - | - | - |
| Other | 7,468 | 4,050 | 3,418 | 19,110 | 7,500 | 3,450 |
| Tenant Services - Other | 18,243 | 10,800 | 7,443 | 14,087 | 10,800 | - |
| Water | 113,446 | 70,383 | 43,062 | 288,665 | 82,167 | 11,783 |
| Electricity | 46,143 | 26,975 | 19,168 | 141,889 | 27,600 | 625 |
| Gas | 41,292 | 17,108 | 24,184 | 76,230 | 27,515 | 10,407 |
| Other Utilities Expense | 21,949 | 33,965 | (12,016) | - | 34,215 | 250 |
| Ordinary Maintenance and Operations - Labor | 153,321 | 98,909 | 54,412 | 203,176 | 139,004 | 40,095 |
| Ordinary Maintenance and Operations - Material | 89,400 | 55,140 | 34,260 | 90,507 | 59,340 | 4,200 |
| Ordinary Maintenance and Operations - Contract | 311,940 | 236,075 | 75,865 | 446,084 | 349,890 | 113,815 |
| Employee Benefits Contributions - Ordinary | 158,544 | 81,269 | 77,275 | 161,026 | 117,604 | 36,335 |
| Protective Services - Other Contract Costs | 5,109 | 2,635 | 2,474 | 8,993 | 2,635 | - |
| Property Insurance | 91,041 | 66,817 | 24,225 | 121,880 | 103,470 | 36,654 |
| Liability Insurance | 30,689 | 24,623 | 6,066 | 47,118 | 38,322 | 13,699 |
| Workers Compensation | - | - | - | - | - | - |
| All Other Insurance | 34,687 | 24,498 | 10,189 | 18,555 | 32,568 | 8,070 |
| Other General Expenses | 106,341 | 15,634 | 90,708 | 136,507 | 23,714 | 8,080 |
| Compensated Absences | - | - | - | - | - | - |
| Payments in Lieu of Taxes | 34,067 | 12,736 | 21,331 | 15,021 | 20,870 | 8,134 |
| Bad debt - Tenant Rents | 7,310 | 14,800 | (7,490) | 20,890 | 19,600 | 5,000 |
| Interest Expense | - | - | - | 65,042 | - | - |
| Total Operating Expenses | <u>\$ 1,746,632</u> | <u>\$ 1,237,916</u> | <u>\$ 508,716</u> | <u>\$ 3,141,408</u> | <u>\$ 1,737,176</u> | <u>\$ 499,260</u> |
| Net Income (Loss) | <u>\$ 4,354,468</u> | <u>\$ 1,260,412</u> | <u>\$ 3,094,056</u> | <u>\$ (397,360)</u> | <u>\$ 1,723,511</u> | <u>\$ 464,189</u> |

Lansing Housing Commission
Budget vs. Actual
COCC
For the Period Ending January 31, 2022

| | YTD Amount | YTD Budget | YTD Variance | Prior YTD Actual | Annual Budget | Remaining Budget |
|---|---------------------|-------------------|---------------------|-------------------|---------------------|---------------------|
| Management Fees Income | \$ 280,373 | \$ 624,009 | \$ (343,636) | \$ 839,437 | \$ 789,866 | \$ 165,857 |
| Bookkeeping Fees Income | 23,747 | 19,925 | 3,822 | 51,629 | 30,805 | 10,880 |
| Administrative Fees | 71,045 | 250,452 | (179,407) | - | 469,742 | 219,290 |
| Fraud Recovery and Other | 68,181 | 44,500 | 23,681 | 48,382 | 62,000 | 17,500 |
| Total Operating Revenue | <u>\$ 443,347</u> | <u>\$ 938,886</u> | <u>\$ (495,540)</u> | <u>\$ 939,448</u> | <u>\$ 1,352,413</u> | <u>\$ 413,527</u> |
| Administrative Salaries | \$ 138,673 | \$ 174,611 | \$ (35,938) | \$ 105,079 | \$ 304,896 | \$ 130,285 |
| Auditing Fees | 7,000 | 5,665 | 1,335 | 5,250 | 5,665 | - |
| Employee Benefits Contributions - Admin | 42,233 | 71,405 | (29,172) | 29,744 | 121,355 | 49,950 |
| Office Expenses | 45,319 | 273,881 | (228,562) | 33,222 | 490,752 | 216,871 |
| Legal | 2,398 | 3,500 | (1,102) | 3,384 | 6,000 | 2,500 |
| Travel | 1,721 | - | 1,721 | - | - | - |
| Other | 30,410 | 12,852 | 17,558 | 18,450 | 25,834 | 12,982 |
| Tenant Services - Other | 4,944 | - | 4,944 | - | - | - |
| Water | 707 | 1,249 | (542) | 800 | 2,185 | 936 |
| Electricity | 4,924 | 11,500 | (6,576) | 7,306 | 19,200 | 7,700 |
| Gas | 642 | 1,195 | (553) | 920 | 2,820 | 1,625 |
| Other Utilities Expense | 504 | 280 | 224 | 337 | 480 | 200 |
| Ordinary Maintenance and Operations - Labor | 30,086 | 84,870 | (54,784) | - | 159,240 | 74,370 |
| Ordinary Maintenance and Operations - Material | 326 | 3,200 | (2,874) | 1,260 | 4,400 | 1,200 |
| Ordinary Maintenance and Operations - Contracts | 24,419 | 8,660 | 15,759 | 11,421 | 15,010 | 6,350 |
| Employee Benefits Contributions - Ordinary | 10,569 | 34,001 | (23,432) | - | 64,121 | 30,120 |
| Protective Services - Other Contract Costs | - | 500 | (500) | 878 | 800 | 300 |
| Property Insurance | 4,679 | 3,609 | 1,070 | 1,288 | 3,609 | - |
| Liability Insurance | 952 | 1,393 | (441) | 113 | 1,393 | - |
| Workers Compensation | - | - | - | - | - | - |
| All Other Insurance | 334 | 4,400 | (4,066) | 4,400 | 4,400 | - |
| Other General Expenses | 282,524 | 16,769 | 265,755 | 194,509 | 28,044 | 11,275 |
| Compensated Absences | - | - | - | - | - | - |
| Interest Expense | - | - | - | 738 | - | - |
| Total Operating Expenses | <u>\$ 633,363</u> | <u>\$ 713,540</u> | <u>\$ (80,177)</u> | <u>\$ 419,099</u> | <u>\$ 1,260,204</u> | <u>\$ 546,664</u> |
| Net Income (Loss) | <u>\$ (190,017)</u> | <u>\$ 225,346</u> | <u>\$ (415,363)</u> | <u>\$ 520,349</u> | <u>\$ 92,209</u> | <u>\$ (133,137)</u> |

Lansing Housing Commission
Budget vs. Actual
Housing Choice Voucher
For the Period Ending January 31, 2022

| | YTD Amount | YTD Budget | YTD Variance | Prior YTD Actual | Annual Budget | Remaining Budget |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| HUD PHA Operating Grants | \$ 6,955,269 | \$ 7,366,916 | \$ (411,647) | \$ 7,389,412 | \$ 12,646,676 | \$ 5,279,760 |
| Other Revenue | 24,305 | - | 24,305 | 342 | - | - |
| Fraud Recovery and Other | 18,313 | 3,850 | 14,463 | 9,434 | 6,600 | 2,750 |
| Total Operating Revenue | <u>\$ 6,997,887</u> | <u>\$ 7,370,766</u> | <u>\$ (372,879)</u> | <u>\$ 7,399,189</u> | <u>\$ 12,653,276</u> | <u>\$ 5,282,510</u> |
| Administrative Salaries | \$ 283,140 | \$ 273,192 | \$ 9,948 | \$ 217,614 | \$ 441,982 | \$ 168,790 |
| Auditing Fees | 25,000 | 28,875 | (3,875) | 26,250 | 28,875 | - |
| Management Fees | 111,680 | 122,383 | (10,703) | 117,068 | 213,335 | 90,952 |
| Bookkeeping Fees | - | - | - | - | - | - |
| Employee Benefits Contributions - Admin | 81,433 | 72,903 | 8,530 | 50,803 | 117,628 | 44,725 |
| Office Expenses | 142,743 | 114,381 | 28,362 | 108,261 | 155,742 | 41,361 |
| Legal Expense | - | - | - | - | - | - |
| Travel | 1,208 | - | 1,208 | - | - | - |
| Other | 158 | 35,000 | (34,842) | - | 60,000 | 25,000 |
| Tenant Services - Other | - | - | - | - | - | - |
| Water | - | - | - | - | - | - |
| Electricity | - | - | - | - | - | - |
| Gas | - | - | - | - | - | - |
| Other Utilities Expense | 89 | 500 | (411) | 668 | 1,000 | 500 |
| Ordinary Maintenance and Operations - Material | - | - | - | - | - | - |
| Ordinary Maintenance and Operations - Contract | 28,190 | - | 28,190 | 50,627 | - | - |
| Protective services - Other Contract Costs | - | - | - | 269 | - | - |
| Property Insurance | - | - | - | - | - | - |
| Liability Insurance | 16,596 | 12,375 | 4,221 | 9,242 | 21,450 | 9,075 |
| Workers Compensation | - | - | - | - | - | - |
| All Other Insurance | 1,245 | 4,400 | (3,155) | - | - | - |
| Other General Expenses | 30,496 | 14,258 | 16,238 | 11,098 | 24,818 | 10,560 |
| Compensated Absences | - | - | - | - | - | - |
| Housing Assistance Payments | 6,619,126 | 6,755,000 | (135,874) | 6,593,435 | 11,580,000 | 4,825,000 |
| Bad Debt - Tenant Rents | - | - | - | - | - | - |
| Interest Expense | - | - | - | - | - | - |
| Total Operating Expenses | <u>\$ 7,341,103</u> | <u>\$ 7,433,267</u> | <u>\$ (92,164)</u> | <u>\$ 7,185,335</u> | <u>\$ 12,644,830</u> | <u>\$ 5,211,563</u> |
| Net Income (Loss) | <u>\$ (343,216)</u> | <u>\$ (62,501)</u> | <u>\$ (280,716)</u> | <u>\$ 213,854</u> | <u>\$ 8,446</u> | <u>\$ 70,947</u> |

Lansing Housing Commission
1010 Mt. Vernon Park
Balance Sheet for January 2022

| | Period Amount | Balance |
|---|-----------------|---------------------|
| ASSETS | | |
| 1010-0000-111102 Cash-Security Deposits | - | 10,200.30 |
| 1010-0000-111111 Chase Checking | (51,719.27) | 654,690.80 |
| 1010-0000-112200 Accounts Receivable | 1,440.00 | 3,495.00 |
| 1010-0000-112201 Allowance for Doubtful Accounts | (213.71) | (349.50) |
| 1010-0000-112220 A/R Repayment Agreement | - | - |
| 1010-0000-112500 Accounts Receivable HUD | - | - |
| 1010-2010-112500 Accounts Receivable HUD | - | - |
| 1010-0000-112954 Accounts Receivables-Misc | - | 2,267.25 |
| 1010-0000-114500 Accrued Interest Receivable | - | 55.29 |
| 1010-5005-115700 Intercompany | 61,480.68 | (9,130.59) |
| 1010-0000-116201 Investments Savings | - | 74,168.03 |
| 1010-0000-121100 Prepaid Insurance | (2,197.02) | 15,452.46 |
| 1010-0000-140000 Land | - | 114,150.00 |
| 1010-0000-144000 Construction in Progress | - | 6,053.00 |
| 1010-3000-144000 Construction in Progress | - | 53,314.39 |
| 1010-0000-146000 Dwelling Structures | - | 2,567,885.60 |
| 1010-1010-146000 Dwelling Structures | - | - |
| 1010-0000-146500 Dwelling Equipment - Ranges & | - | 20,325.87 |
| 1010-1010-146500 Dwelling Equipment - Ranges & | - | - |
| 1010-3000-146500 Dwelling Equipment - Ranges & | - | - |
| 1010-0000-148100 Accumulated Depreciation-Build | - | (2,355,778.23) |
| 1010-1010-148100 Accumulated Depreciation-Build | - | - |
| 1010-1010-148300 Accumulated Depreciation-Equip | - | - |
| 1010-0000-150300 Deferred Outflow - MERS | - | 359,796.50 |
| 1010-0000-150301 Deferred Outflows-OPEB | - | 13,185.00 |
| TOTAL ASSETS | 8,790.68 | 1,529,781.17 |
| LIABILITIES | | |
| 1010-0000-200000 OPEB Liability | - | 10,413.00 |
| 1010-0000-200300 Pension Liability | - | 227,551.00 |
| 1010-0000-210000 Construction Costs Payable | - | - |
| 1010-0000-211100 Accounts Payable | (1,975.78) | 291.42 |
| 1010-0000-211343 Accounts Payable Misc | - | - |
| 1010-0000-211400 Tenant Security Deposits | - | 10,200.30 |
| 1010-0000-211999 Tenant Refunds | 296.00 | 11,213.50 |
| 1010-0000-212000 Accrued Payroll | - | 2,422.62 |
| 1010-0000-213400 Utility Accrual | - | 321.00 |
| 1010-0000-213500 Accrued Comp Absences - Curr | - | 762.56 |
| 1010-0000-213700 Payment in Lieu of Taxes | 1,040.59 | 15,015.15 |
| 1010-0000-214000 Accrued Comp Absences - non curr | - | 4,320.59 |
| 1010-0000-260600 Note Payable Non Curr - PNC | - | - |
| 1010-0000-260601 Note Payable - Curr - PNC | - | - |
| 1010-0000-210000 Deferred Inflow - MERS | - | 62,251.00 |
| 1010-0000-210001 Deferred Inflows - OPEB | - | 50,958.00 |
| 1010-0000-270000 Deferred Inflows | - | - |
| TOTAL LIABILITIES | (639.19) | 395,720.14 |
| EQUITY | | |
| 1010-0000-280100 Invest C | - | 2,433,904.00 |
| 1010-0000-280500 Unrestricted Net Assets | - | 801,692.03 |
| 1010-0000-282000 Income and Expense Clearing | 9,429.87 | (4,119,035.89) |
| 1010-0003-282000 Income and Expense Clearing | - | (77.99) |
| 1010-1010-282000 Income and Expense Clearing | - | (320.14) |
| 1010-1010-282000 Income and Expense Clearing | - | (72,265.80) |
| 1010-2010-282000 Income and Expense Clearing | - | (75.00) |
| 1010-3000-282000 Income and Expense Clearing | - | 2,090,239.82 |
| TOTAL EQUITY | 9,429.87 | 1,134,061.03 |
| TOTAL LIABILITIES & EQUITY | 8,790.68 | 1,529,781.17 |

Lansing Housing Commission
1020 Hildebrandt Park
Balance Sheet for January 2022

| | Period Amount | Balance |
|---|------------------|---------------------|
| ASSETS | | |
| 1020-0000-111102 Cash-Security Deposits | - | 36,398.00 |
| 1020-0000-111111 Chase Checking | 47,882.34 | 700,681.96 |
| 1020-0000-112200 Accounts Receivable | 4,683.00 | 12,126.00 |
| 1020-0000-112201 Allowance for Doubtful Accounts | (1,491.40) | (1,212.60) |
| 1020-0000-112220 A/R Repayment Agreement | - | - |
| 1020-0000-112500 Accounts Receivable HUD | - | - |
| 1020-2010-112500 Accounts Receivable HUD | - | - |
| 1020-0000-114500 Accrued Interest Receivable | - | 55.29 |
| 1020-5005-115700 Intercompany | (1,534.64) | (25,367.87) |
| 1020-0000-116201 Investments Savings | - | 74,168.04 |
| 1020-0000-121100 Prepaid Insurance | (7,770.96) | 54,744.57 |
| 1020-0000-140000 Land | - | 348,580.00 |
| 1020-0000-144000 Construction in Progress | - | 52,892.89 |
| 1020-3000-144000 Construction in Progress | - | 139,560.88 |
| 1020-0000-146000 Dwelling Structures | - | 2,745,252.13 |
| 1020-1020-146000 Dwelling Structures | - | 115,030.00 |
| 1020-0000-146500 Dwelling Equipment - Ranges & | - | 35,085.00 |
| 1020-1020-146500 Dwelling Equipment - Ranges & | - | 21,635.00 |
| 1020-0000-148100 Accumulated Depreciation-Build | - | (2,738,837.02) |
| 1020-1020-148100 Accumulated Depreciation-Build | - | (51,897.16) |
| 1020-1020-148300 Accumulated Depreciation-Equip | - | (9,758.67) |
| 1020-0000-150300 Deferred Outflow - MERS | - | 313,828.50 |
| 1020-0000-150301 Deferred Outflows-OPEB | - | 6,902.00 |
| TOTAL ASSETS | 41,768.34 | 1,829,866.94 |
| LIABILITIES | | |
| 1020-0000-200000 OPEB Liability | - | 5,450.00 |
| 1020-0000-200300 Pension Liability | - | 190,560.00 |
| 1020-0000-210000 Construction Costs Payable | - | - |
| 1020-0000-211100 Accounts Payable | 3,262.30 | 3,670.90 |
| 1020-0000-211343 Accounts Payable Misc | - | - |
| 1020-0000-211400 Tenant Security Deposits | - | 21,177.00 |
| 1020-0000-211999 Tenant Refunds | (640.00) | 18,039.71 |
| 1020-0000-212000 Accrued Payroll | - | 9,930.43 |
| 1020-0000-213400 Utility Accrual | - | 25,624.00 |
| 1020-0000-213500 Accrued Comp Absences - Curr | - | 2,296.44 |
| 1020-0000-213700 Payment in Lieu of Taxes | 4,499.21 | 25,701.88 |
| 1020-0000-214000 Accrued Comp Absences - non curr | - | 13,013.16 |
| 1020-0000-260600 Note Payable Non Curr - PNC | - | - |
| 1020-0000-260601 Note Payable - Curr - PNC | - | - |
| 1020-0000-210000 Deferred Inflow - MERS | - | 52,132.00 |
| 1020-0000-210001 Deferred Inflow - OPEB | - | 26,675.00 |
| 1020-0000-270000 Deferred Inflows | - | - |
| TOTAL LIABILITIES | 7,121.51 | 394,270.52 |
| EQUITY | | |
| 1020-0000-280100 Invest C | - | 3,764,889.00 |
| 1020-0000-280500 Unrestricted Net Assets | - | (35,006.10) |
| 1020-0000-282000 Income and Expense Clearing | 34,646.83 | (4,596,520.00) |
| 1020-1020-282000 Income and Expense Clearing | - | (162,850.00) |
| 1020-2010-282000 Income and Expense Clearing | - | (56.25) |
| 1020-3000-282000 Income and Expense Clearing | - | 2,465,139.77 |
| TOTAL EQUITY | 34,646.83 | 1,435,596.42 |
| TOTAL LIABILITIES & EQUITY | 41,768.34 | 1,829,866.94 |

**Lansing Housing Commission
1080 LaRoy Froh Townhomes
Balance Sheet for January 2022**

| | Period Amount | Balance |
|---|------------------|---------------------|
| ASSETS | | |
| 1080-0000-111102 Cash-Security Deposits | - | 40,398.00 |
| 1080-0000-111111 Chase Checking | 101,997.94 | 975,342.94 |
| 1080-0000-112200 Accounts Receivable | 501.87 | 19,973.21 |
| 1080-0000-112201 Allowance for Doubtful Accounts | 381.15 | (1,997.32) |
| 1080-0000-112220 A/R Repayment Agreement | (12.00) | - |
| 1080-0000-112500 Accounts Receivable HUD | - | - |
| 1080-2010-112500 Accounts Receivable HUD | - | - |
| 1080-0000-112954 Accounts Receivables-Misc | 3,225.00 | 3,225.00 |
| 1080-0000-114500 Accrued Interest Receivable | - | 55.29 |
| 1080-5005-115700 Intercompany | 11,566.75 | (12,294.69) |
| 1080-0000-116201 Investments Savings | - | 74,168.03 |
| 1080-0000-121100 Prepaid Insurance | (8,089.86) | 57,062.68 |
| 1080-0000-140000 Land | - | 499,084.00 |
| 1080-0000-144000 Construction in Progress | (81,664.76) | 30,072.28 |
| 1080-3000-144000 Construction in Progress | 8,418.38 | 279,684.12 |
| 1080-0000-146000 Dwelling Structures | - | 12,792,393.80 |
| 1080-1080-146000 Dwelling Structures | - | 520,795.00 |
| 1080-0000-146500 Dwelling Equipment - Ranges & | - | 51,291.24 |
| 1080-0000-148100 Accumulated Depreciation-Build | - | (10,456,604.44) |
| 1080-1080-148100 Accumulated Depreciation-Build | - | (234,955.00) |
| 1080-0000-150300 Deferred Outflow - MERS | - | 383,188.50 |
| 1080-0000-150301 Deferred Outflows-OPEB | - | 11,114.00 |
| TOTAL ASSETS | 36,324.47 | 5,031,996.64 |
| LIABILITIES | | |
| 1080-0000-200000 OPEB Liability | - | 8,776.00 |
| 1080-0000-200300 Pension Liability | - | 246,376.00 |
| 1080-0000-210000 Construction Costs Payable | - | - |
| 1080-0000-211100 Accounts Payable | 5,331.22 | 7,584.52 |
| 1080-0000-211343 Accounts Payable Misc | - | - |
| 1080-0000-211400 Tenant Security Deposits | - | 39,053.00 |
| 1080-0000-211999 Tenant Refunds | 4,620.00 | 24,194.51 |
| 1080-0000-212000 Accrued Payroll | - | 9,503.77 |
| 1080-0000-213400 Utility Accrual | - | 13,941.00 |
| 1080-0000-213500 Accrued Comp Absences - Curr | - | 1,104.85 |
| 1080-0000-213700 Payment in Lieu of Taxes | 2,257.41 | 12,885.77 |
| 1080-0000-214000 Accrued Comp Absences - non curr | - | 6,260.81 |
| 1080-0000-260600 Note Payable Non Curr - PNC | - | - |
| 1080-0000-260601 Note Payable - Curr - PNC | - | - |
| 1080-0000-210000 Deferred Inflow - MERS | - | 67,401.00 |
| 1080-0000-270000 Deferred Inflows | - | - |
| TOTAL LIABILITIES | 12,208.63 | 437,081.23 |
| EQUITY | | |
| 1080-0000-280100 Invest C | - | 4,031,104.00 |
| 1080-0000-280500 Unrestricted Net Assets | - | 134,241.63 |
| 1080-0000-282000 Income and Expense Clearing | 24,115.84 | (1,268,629.00) |
| 1080-1080-282000 Income and Expense Clearing | - | (96,075.00) |
| 1080-2010-282000 Income and Expense Clearing | - | (56.25) |
| 1080-3000-282000 Income and Expense Clearing | - | 1,794,330.03 |
| TOTAL EQUITY | 24,115.84 | 4,594,915.41 |
| TOTAL LIABILITIES & EQUITY | 36,324.47 | 5,031,996.64 |

**Lansing Housing Commission
1090 South Washington Park
Balance Sheet for January 2022**

| | Period Amount | Balance |
|---|-----------------|---------------------|
| ASSETS | | |
| 1090-0000-111102 Cash-Security Deposits | - | 1,777.00 |
| 1090-0000-111111 Chase Checking | 20,164.57 | 572,172.68 |
| 1090-0000-112000 Accounts Receivable - Operations | - | 33,093.00 |
| 1090-0000-112200 Accounts Receivable | - | 3,439.60 |
| 1090-0000-112201 Allowance for Doubtful Accounts | 290.93 | (343.96) |
| 1090-0108-112201 Allowance for Doubtful Accounts | - | - |
| 1090-0000-112220 A/R Repayment Agreement | - | - |
| 1090-0000-112500 Accounts Receivable HUD | - | - |
| 1090-2010-112500 Accounts Receivable HUD | - | - |
| 1090-0000-114500 Accrued Interest Receivable | - | 55.29 |
| 1090-5005-115700 Intercompany | (17,575.91) | (11,890.78) |
| 1090-0000-116201 Investments Savings | - | 74,168.03 |
| 1090-0000-121100 Prepaid Insurance | (664.60) | 5,122.50 |
| 1090-0000-140000 Land | - | 36,534.00 |
| 1090-0000-144000 Construction in Progress | - | 3,650.00 |
| 1090-3000-144000 Construction in Progress | - | 72,259.90 |
| 1090-0000-146000 Dwelling Structures | - | 288,076.96 |
| 1090-1090-146000 Dwelling Structures | - | - |
| 1090-0000-146500 Dwelling Equipment - Ranges & | - | 2,558.79 |
| 1090-0000-147000 Nondwellin Structures | - | - |
| 1090-0000-148100 Accumulated Depreciation-Build | - | (281,631.86) |
| 1090-1090-148100 Accumulated Depreciation-Build | - | - |
| 1090-0000-150300 Deferred Outflow - MERS | - | 359,216.50 |
| 1090-0000-150301 Deferred Outflows-OPEB | - | 6,866.00 |
| TOTAL ASSETS | 2,214.99 | 1,165,123.65 |
| LIABILITIES | | |
| 1090-0000-200000 OPEB Liability | - | 5,422.00 |
| 1090-0000-200300 Pension Liability | - | 227,085.00 |
| 1090-0000-210000 Construction Costs Payabe | - | - |
| 1090-0000-211100 Accounts Payable | 817.45 | 1,634.65 |
| 1090-0000-211343 Accounts Payable Misc | - | - |
| 1090-0000-211400 Tenant Security Deposits | - | 1,777.00 |
| 1090-0000-211999 Tenant Refunds | (1,015.00) | 2,087.00 |
| 1090-0000-212000 Accrued Payroll | - | 11,586.49 |
| 1090-0000-213400 Utility Accrual | - | 160.00 |
| 1090-0000-213500 Accrued Comp Absences - Curr | - | 3,591.55 |
| 1090-0000-213700 Payment in Lieu of Taxes | 724.26 | (1,107.77) |
| 1090-0000-214000 Accrued Comp Absences - non curr | - | 20,352.10 |
| 1090-0000-260600 Note Payable Non Curr - PNC | - | - |
| 1090-0000-260601 Note Payable - Curr - PNC | - | - |
| 1090-0000-210000 Deferred Inflow - MERS | - | 62,123.00 |
| 1090-0000-210001 Deferred Inflow - OPEB | - | 535.00 |
| 1090-0000-270000 Deferred Inflows | - | - |
| TOTAL LIABILITIES | 526.71 | 335,246.02 |
| EQUITY | | |
| 1090-0000-280100 Invest C | - | 3,083,846.00 |
| 1090-0000-280500 Unrestricted Net Assets | - | 52,038.44 |
| 1090-0000-282000 Income and Expense Clearing | 1,688.28 | (6,294,266.95) |
| 1090-1090-282000 Income and Expense Clearing | - | (19,923.00) |
| 1090-2010-282000 Income and Expense Clearing | - | (75.00) |
| 1090-3000-282000 Income and Expense Clearing | - | 4,008,258.14 |
| TOTAL EQUITY | 1,688.28 | 829,877.63 |
| TOTAL LIABILITES & EQUITY | 2,214.99 | 1,165,123.65 |

**Lansing Housing Commission
5005 Central Office Cost Center
Balance Sheet for January 2022**

| | <u>Period Amount</u> | <u>Balance</u> |
|--|----------------------|---------------------|
| ASSETS | | |
| 5005-0000-111101 General Fund Checking | - | - |
| 5005-0000-111105 LHC-Payroll Account | (100.00) | 66,644.64 |
| 5005-0000-111111 Chase Checking | (248,489.11) | 1,663,669.12 |
| 5005-0000-112500 Accounts Receivable HUD | (63,374.50) | 315,020.95 |
| 5005-0000-112954 Accounts Receivables-Misc | 167,147.14 | (426,342.02) |
| 5005-1010-115700 Intercompany | (61,480.68) | 9,130.59 |
| 5005-1020-115700 Intercompany | 1,534.64 | 25,367.87 |
| 5005-1080-115700 Intercompany | (11,566.75) | 12,294.69 |
| 5005-1090-115700 Intercompany | 17,575.91 | 11,890.78 |
| 5005-4001-115700 Intercompany | 5,839.50 | 885,499.61 |
| 5005-8001-115700 Intercompany | 75,736.61 | 70,620.18 |
| 5005-8002-115700 Intercompany | 3,244.52 | 154,201.59 |
| 5005-8005-115700 Intercompany | (1,974.80) | (3,948.81) |
| 5005-8010-115700 Intercompany | 12,284.81 | 16,961.43 |
| 5005-8020-115700 Intercompany | (56,000.00) | 46,512.00 |
| 5005-8021-115700 Intercompany | 56,000.00 | (13,118.00) |
| 5005-9101-115700 Intercompany | - | - |
| 5005-0000-121100 Prepaid Insurance | (598.57) | 5,243.62 |
| 5005-0000-121200 Prepaid - Other | 265.00 | 11,887.00 |
| 5005-0000-140000 Land | - | 190,000.00 |
| 5005-0000-144000 Construction in Progress | - | 41,738.84 |
| 5005-0000-146000 Dwelling Structures | - | 775,620.74 |
| 5005-0000-146500 Dwelling Equipment - Ranges & | - | 335,281.25 |
| 5005-0000-148100 Accumulated Depreciation-Build | - | (1,055,856.85) |
| 5005-0000-150102 Investment in OG | - | 411,617.62 |
| 5005-0000-150300 Deferred Outflow - MERS | - | 73,349.00 |
| 5005-0000-150301 Deferred Outflows-OPEB | - | 6,502.00 |
| TOTAL ASSETS | <u>(103,956.28)</u> | <u>3,629,787.84</u> |
| LIABILITIES | | |
| 5005-0000-200000 OPEB Liability | - | 5,138.00 |
| 5005-0000-200300 Pension Liability | - | 159,315.00 |
| 5005-0000-210000 Construction Costs Payable | - | - |
| 5005-0000-211100 Accounts Payable | (1,140.01) | 60,492.34 |
| 5005-0000-211343 Accounts Payable Misc | - | - |
| 5005-0000-211703 Union Dues Payable | (172.80) | (1,252.80) |
| 5005-0000-211704 Health Insurance W/H | - | - |
| 5005-0000-212000 Accrued Payroll | - | 8,104.41 |
| 5005-0000-213400 Utility Accrual | - | 1,202.00 |
| 5005-0000-213500 Accrued Comp Absences - Curr | - | 1,800.24 |
| 5005-0000-214000 Accrued Comp Absences - non curr | - | 10,201.33 |
| 5005-0000-224000 Tenant Prepaid Rent | 210.00 | 3,810.00 |
| 5005-0000-260700 Note Payable Non Curr - Davenport | - | - |
| 5005-0000-260701 Note Payable - Curr - Davenport | - | - |
| 5005-0000-210000 Deferred Inflow - MERS | - | 43,585.00 |
| 5005-0000-210001 Deferred Inflow - OPEB | - | 25,144.00 |
| 5005-0000-270000 Deferred Inflows | - | - |
| TOTAL LIABILITIES | <u>(1,102.81)</u> | <u>317,539.52</u> |
| EQUITY | | |
| 5005-0000-280100 Invest C | - | 262,455.00 |
| 5005-0000-280500 Unrestricted Net Assets | - | 327,575.00 |
| 5005-0000-282000 Income and Expense Clearing | (102,853.47) | 2,955,411.70 |
| 5005-1010-282000 Income and Expense Clearing | - | -3,277.50 |
| 5005-1090-282000 Income and Expense Clearing | - | 3,990.83 |
| 5005-3000-282000 Income and Expense Clearing | - | -233,906.71 |
| TOTAL EQUITY | <u>(102,853.47)</u> | <u>3,312,248.32</u> |
| TOTAL LIABILITIES & EQUITY | <u>(103,956.28)</u> | <u>3,629,787.84</u> |

**Lansing Housing Commission
Housing Choice Voucher
Balance Sheet for January 2022**

| | <u>Period Amount</u> | <u>Balance</u> |
|---|-------------------------|----------------------------|
| ASSETS | | |
| 8001-0000-111111 Chase Checking | 90,142.20 | 977,029.68 |
| 8001-2010-111111 Chase Checking | - | - |
| 8002-0000-111111 Chase Checking | 67,165.70 | 402,492.96 |
| 8002-0000-112200 Accounts Receivable | - | - |
| 8002-8002-112200 Accounts Receivable | - | - |
| 8001-0000-112954 Accounts Receivables-Misc | - | 2,966.15 |
| 8002-0000-112954 Accounts Receivables-Misc | - | - |
| 8001-5005-115700 Intercompany | (75,736.61) | (70,620.18) |
| 8002-5005-115700 Intercompany | (3,244.52) | (223,001.59) |
| 8001-0000-121100 Prepaid Insurance | (2,726.44) | 19,084.07 |
| 8001-2010-144000 Construction in Progress | - | 3,753.83 |
| 8001-0000-146500 Dwelling Equipment - Ranges & | - | 44,423.50 |
| 8001-0000-148100 Accumulated Depreciation-Build | - | (28,063.43) |
| 8002-0000-148100 Accumulated Depreciation-Build | - | - |
| 8001-0000-150300 Deferred Outflow - MERS | - | 107,995.00 |
| 8001-0000-150301 Deferred Outflows-OPEB | - | 18,864.00 |
| TOTAL ASSETS | <u>75,600.33</u> | <u>1,254,923.99</u> |
| LIABILITIES | | |
| 8001-0000-200000 OPEB Liability | - | 14,897.00 |
| 8001-0000-200300 Pension Liability | - | 234,571.00 |
| 8001-0000-210000 Construction Costs Payabe | - | - |
| 8001-0000-211100 Accounts Payable | 167.54 | 2,912.40 |
| 8002-0000-211100 Accounts Payable | - | - |
| 8002-8002-211100 Accounts Payable | - | - |
| 8001-0000-211343 Accounts Payable Misc | - | - |
| 8001-2010-211998 Deferred Income | - | - |
| 8001-0000-212000 Accrued Payroll | - | 21,077.27 |
| 8001-0000-213400 Utility Accrual | - | - |
| 8001-0000-213500 Accrued Comp Absences - Curr | - | 6,903.56 |
| 8001-0000-214000 Accrued Comp Absences - non curr | - | 39,120.20 |
| 8001-0000-210000 Deferred Inflow - MERS | - | 64,172.00 |
| 8001-0000-210001 Deferred Inflow - OPEB | - | 98,906.00 |
| 8001-0000-270000 Deferred Inflows | - | - |
| TOTAL LIABILITIES | <u>167.54</u> | <u>482,559.43</u> |
| EQUITY | | |
| 8001-0000-280500 Unrestricted Net Assets | - | (311,896.99) |
| 8001-0000-282000 Income and Expense Clearing | 11,511.61 | 907,939.10 |
| 8001-0003-282000 Income and Expense Clearing | - | (1,038.20) |
| 8001-3000-282000 Income and Expense Clearing | - | (2,130.72) |
| 8002-0000-280100 Invest C | - | 3,047.00 |
| 8002-0000-280400 Restricted Net Assets | - | 152,357.00 |
| 8002-0000-280500 Unrestricted Net Assets | - | 453,953.00 |
| 8002-0000-282000 Income and Expense Clearing | 63,921.18 | 66,204,422.16 |
| 8002-8002-282000 Income and Expense Clearing | - | (66,634,287.79) |
| TOTAL EQUITY | <u>75,432.79</u> | <u>772,364.56</u> |
| TOTAL LIABILITES & EQUITY | <u>75,600.33</u> | <u>1,254,923.99</u> |

February 23, 2022

HONORABLE MEMBERS IN SESSION

Lansing Housing Commission
419 Cherry St.
Lansing Michigan 48933

SUBJECT:

January 2021 Housing Choice Voucher (HCV) Monthly Report

CONTACT PERSON:

Jennifer Burnette
Assistant Director of Housing Programs

Family Self Sufficiency (FSS):

LHC staff is continuing to outreach for additional participation with the FSS program.

HCV Orientations:

LHC issued thirteen (13) vouchers in the month of January.

Three (3) VASH orientations virtually were held for the month of January 2022, and three (3) vouchers were issued with the assistance of community partners.

Waiting List:

Emergency Housing Vouchers: 15 of the 32 Emergency Housing Vouchers have been leased up, 5 are pending calculation/inspection, and 13 are issued and are out searching for housing. 200 regular HCV applications mailed out during the month of January, 38 households are out searching for units, 7 applicants are pending documentation or final approval, 0 applicants are pending a hearing, 8 units approved and pending inspection and 14 pending lease-up.

Department Initiatives:

In the HCV Program, there are currently 1,695 vouchers housed in all its programs. 37 participants are with the Shelter Plus Care Program (S+C), 67 are housed under the Permanent Supportive Housing Program (PSH), 15 are housed under the Emergency Housing Voucher Program (EHV), and 132 are housed under the HUD Veterans Affairs Supportive Housing (VASH) 28 at Waverly Place, 20 are housed under the Holy Cross Rapid



Rehousing (HCRR), 47 are housed under the Holy Cross Permanent Supportive Housing (HCPH) and 1,349 are housed under the Housing Choice Voucher Program.

Voucher Utilization

| | |
|--------------------------------------|-------|
| December Voucher Program Total Units | 1,863 |
| December Traditional HCV Utilization | 1488 |
| December % Utilized Units | 80% |

| | |
|-------------------------------------|-------|
| January Voucher Program Total Units | 1,863 |
| January Traditional HCV Utilization | 1481 |
| January % Utilized Units | 79% |

Voucher Disbursement

| | |
|-----------------------------------|-----------|
| HUD December HAP Disbursement | \$997,358 |
| LHC December HAP/UAP Disbursement | \$888,649 |
| % Voucher Funding Utilization | 91% |

| | |
|--------------------------------------|-------------|
| HUD January HAP Disbursement | \$895,656 |
| LHC January HAP/UAP Disbursement | \$869,694 |
| % Voucher Funding Utilization | 97% |
| HUD Held Reserves as of October 2020 | \$2,678,131 |

SEMAP Indicators

Indicator 1- Selection from the Waiting List

This indicator measures whether LHC has written policies in its administrative plan for selecting applicants from the waiting list. This indicator is not scored by PIC but is based on an internal review. LHC is on track to receive all points for this indicator out of a possible 15 as it does have a written policy.

Waiting List

| | |
|-------------|------------------|
| PIC Scoring | Internal Scoring |
| N/A | 15 |

Indicator 2- Rent Reasonableness

LHC has a method for determining the rent (for each unit leased) is reasonable based on current rents charged for comparable unassisted units. LHC reviewed rent reasonable for the fiscal year 2022. This indicator is not scored by PIC but based on an internal review. LHC will self-score 20 points for this indicator out of a possible 20.

Rent Reasonableness

| PIC Scoring | Internal Scoring |
|-------------|------------------|
| N/A | 20 |

Indicator 3- Determination of Adjusted Income

This indicator measures if, at the time of admission and reexamination, LHC verifies and correctly determines adjusted annual income for each assisted family, and if LHC uses the appropriate utility allowance(s). This indicator is not scored in PIC but is based on an internal review and scoring. LHC completed 8 file audits with a requirement of 26 to be reviewed for scoring purposes. Therefore, LHC will self-score 20 points out of 20 for the fiscal year ending June 2022.

Adjusted Income

| PIC Scoring | Internal Scoring |
|-------------|------------------|
| N/A | 20 |

Indicator 4- Utility Allowance

The new Utility Allowances were approved and are effective 12/01/2021. This indicator is not scored through PIC but is based on an internal review. Based on the internal review, LHC would receive five (5) of the possible five (5) points for this indicator by the end of the fiscal year.

Utility Allowance

| PIC Scoring | Internal Scoring |
|-------------|------------------|
| N/A | 5 |

Indicator 5- HQS Quality Control Inspections

The number of Quality Control Inspections needed for the year is 28. During this reporting period zero (0) quality control inspections were conducted. This indicator is not scored by PIC but is based on an internal review. Based on the internal review LHC will self-score a five (5) out of the five (5) possible points.

Quality Control Inspections

| PIC Scoring | Internal Scoring |
|-------------|------------------|
| N/A | 5 |

Indicator 6- HQS Enforcement

Following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life threatening HQS deficiencies are corrected within 24-hours and all other cited HQS deficiencies are corrected within 30 days. If deficiencies are not corrected timely LHC stops (abates) HAP payment or terminates the contract. This indicator is not scored by PIC but is determined from an internal review. LHC's review indicates there were zero (0) 24-hour deficiencies and thirty-three (33) 30-day deficiencies. All corrected, abated, or terminated, as necessary.

HQS Enforcement

| PIC Scoring | Internal Scoring |
|-------------|------------------|
| N/A | 10 |

Indicator 7- Expanding Housing Opportunities

LHC adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty and minority concentration. This indicator is not scored in PIC but is based on an internal review. As of this reporting period, LHC records this indicator as receiving five (5) of a possible five (5)

Housing Opportunities

| PIC Scoring | Internal Scoring |
|-------------|------------------|
| N/A | 5 |

Indicator 8- Payment Standards

This indicator shows whether LHC has adopted a current payment standard schedule for the voucher program by unit size. During this reporting period, the HCV Payment Standards were increased to 110% of the success rate 50th percentile. The current payment standards have received Board approval. This indicator is not scored by PIC but is based on an internal review. As of this reporting period, LHC records indicate a five (5) out of a possible five (5) points will be received.

| PIC Scoring | Internal Scoring |
|-------------|------------------|
| N/A | 5 |

Indicator 9- Annual Reexamination

This indicator is used to determine if LHC has completed a reexamination for each participating family at least every 12 months. As of January 31, 2022, the reporting rate is 99%. Based on PIC, LHC records this indicator as 10 of a possible 10 points.

Annual Reexaminations

| PIC Scoring | Internal Scoring |
|-------------|------------------|
| 10 | 10 |

Indicator 10- Correct Tenant Rent Calculation

This indicator shows if LHC correctly calculates tenants' rent and the family share of the rent to the owner in the voucher program. As of this reporting period, PIC records indicate LHC will receive 100%. According to PIC records there are no tenant rent calculation discrepancies to report. Based on PIC, LHC records this indicator as receiving five (5) of a possible five (5) points.

Correct Tenant Rent

| PIC Scoring | Internal Scoring |
|-------------|------------------|
| 5 | 5 |

Indicator 11- Pre-Contract HQS Inspections

This indicator shows if newly leased units pass HQS inspection on or before the beginning date of the assisted lease and HAP contract. As of this reporting period, PIC recorded this indicator as receiving 100%. Based on PIC LHC would receive five (5) of a possible five (5) points.

Pre-Contract HQS

| PIC Scoring | Internal Scoring |
|-------------|------------------|
| 5 | 5 |

Indicator 12-Inspections

This indicator shows if LHC has inspected each unit under contract at least bi-annually. As of this reporting period, PIC recorded this indicator as receiving 99%. Based on PIC LHC would receive 10 of the possible 10 points.

Inspections

| PIC Scoring | Internal Scoring |
|-------------|------------------|
| 10 | 10 |

Indicator 13- Program Utilization

The department utilization rate during this reporting period is 79%. In an effort to maximize the number of participants that are housed, the program's utilization rate will continue to be closely monitored without exceeding funding capacity. SEMAP certification requires LHC to report the status of efforts in providing Housing Choice Vouchers and leasing units based on funds awarded by HUD.

Program Utilization

| PIC Scoring | Internal Scoring |
|-------------|------------------|
| N/A | 20 |

Indicator 14-Family Self Sufficiency

As of this reporting period, the Family Self Sufficiency (FSS) Program has 37 mandatory slots, 17 slots/households or (46%) are enrolled. SEMAP certification requires the LHC to report the status of enrollment for the FSS program.

Enrollment and Escrow Accounts are documented by Indicator 14. As of this reporting period, LHC would receive five (5) of 10 points.

FSS Enrollment

| PIC Scoring | Internal Scoring |
|-------------|------------------|
| N/A | 5 |

Currently 50% of the FSS participants enrolled in the program have escrow accounts. The maximum allowable points are five of (10) points. LHC is currently doing an internal rating of five (5) points.

Participant's w/ Escrows

| PIC Scoring | Internal Scoring |
|-------------|------------------|
| N/A | 5 |

*Please note all PIC data is of 1/31/2022.

February 23, 2022

HONORABLE MEMBERS IN SESSION

Lansing Housing Commission
419 Cherry St.
Lansing Michigan 48933

SUBJECT:

January 2022 Asset Management Monthly Report

CONTACT PERSON:

Doug Fleming
Executive Director
517-487-6550 Ext. 111

OVERVIEW:

Lansing Housing Commission ("LHC") communities had an overall occupancy rating of 95% (not including the modernization units) at the end of January. LHC Unit Months Leased (UML) was 386 (with units in MOD) or 95% occupancy rate. LHC maintained a 95% occupancy level, which does not meet the 96% recovery plan occupancy goal.

Public Housing (PH) Scattered Sites occupancy was 97% at the end of January. There were zero (0) household moved in, zero (0) resident moved out, and zero (0) unit transfers. The total units occupied was 297 which equals 97%. At the end of January, PH scattered sites had a total of 110 open work orders.

LaRoy Froh occupancy was 89% at the end of January. There was zero (0) household moved in, zero (0) resident moved out, zero (0) unit transfers. The total units occupied was 89 which equals 89%. At the end of January, LaRoy Froh had a total of 90 open work orders.



OCCUPANCY:

| Site | Total Number of Units | UML Occupied 1st day of month including MOD units | Gross (including MOD Occupancy rate) | Move Ins | Move Outs | Transfer Units | Total MOD Units |
|--------------------|-----------------------|---|--------------------------------------|----------|-----------|----------------|-----------------|
| PH Scattered Sites | 306 | 297 | 97% | 0 | 0 | 0 | 0 |
| LaRoy Froh | 100 | 89 | 89% | 0 | 0 | 0 | 0 |
| Totals | 406 | 386 | 95% | 0 | 0 | 0 | 0 |

RENT COLLECTION:

| Site | Rent Charged | Receivables | Total Uncollected | Collection Rate |
|--------------------|------------------|-------------|-------------------|-----------------|
| PH Scattered Sites | \$ NA | \$ NA | \$ NA | TBD |
| LaRoy Froh | \$ 17,289 | \$ | \$ 0 | 186% |
| Totals | \$ 17,289 | \$ 0 | \$ 0 | 186% |



PH Scattered Sites Vacant Unit Status:

| Address | BR | Vacate Date | Total Days Vacant | Projected Ready Date | Unit turn Cost | Comments*Details needed for Vacancies over 20 days |
|----------------|----|-------------|-------------------|----------------------|----------------|--|
| 5018 Starr | 5 | 6-30-21 | 208 | 10-27-21 | \$1200 | Carpentry work being assigned for completion |
| 2119 Forest | 2 | 11-30-21 | 62 | 1-30-22 | | Cleaning getting done |
| 5840 Pheasant | 3 | 7-1-21 | 208 | 10-22-21 | TBD | Carpentry work being assigned for completion |
| 4343 Glenburne | 2 | 3-12-21 | 308 | 10-27-21 | \$1250 | Applicant assigned |
| 4151 Glenburne | 2 | 9-16-20 | 453 | 9-9-21 | \$1275 | Processing/pulling applications |
| 2165 Forest | 2 | 3-2-21 | 374 | 10-22-21 | \$1800 | Carpentry work being assigned for completion |
| 124 Howe | 4 | 6-23-21 | 213 | 9-15-21 | \$2250 | Complete restoration required |
| 1507 Robertson | 3 | 2-10-21 | 368 | 9-11-21 | \$1675 | Move in scheduled for 9-22-21 |
| 636 Hayford | 3 | 6-24-21 | 195 | TBD | TBD | Getting painted and cleaned |

LaRoy Froh Vacant Unit Status:

| Address | BR | Vacate Date | Total Days Vacate | Projected Ready Date | Unit turn Cost | Comments*Details needed for Vacancies over 20 days |
|----------|----|-------------|-------------------|----------------------|----------------|--|
| 2332 Reo | 2 | 3-12-21 | 323 | | | Completing Rehab |
| 2212 Reo | 3 | 10-22-20 | 495 | | | |
| 2440 Reo | 3 | 11-19-20 | 457 | | | |
| 2508 Reo | 3 | 2-10-21 | 353 | | | |
| 2220 Reo | 3 | 4-30-21 | 276 | | | |
| 2520 Reo | 2 | 4-30-21 | 276 | | | |
| 2224 Reo | 5 | 4-28-21 | 279 | | | |
| 2448 Reo | 4 | 4-25-21 | 280 | | | |
| 2536 Reo | 2 | 9-12-21 | 133 | | | |
| 2534 Reo | 3 | 11-19-21 | 80 | | | |
| 2532 Reo | 3 | 11-5-21 | 86 | | | |





Lansing Housing Commission (LHC)

December Board Meeting

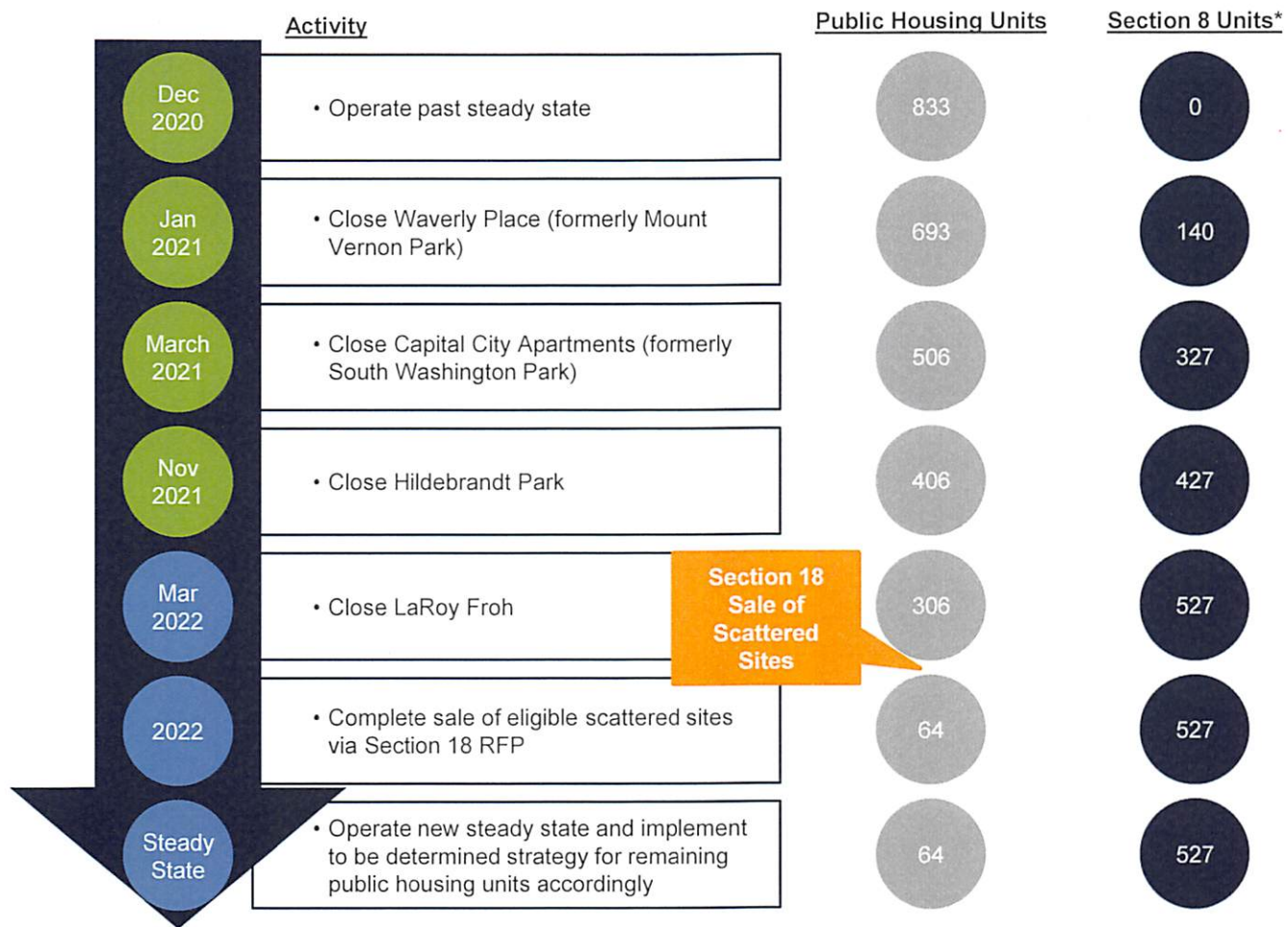
February 23, 2022

Agenda

1

Section 18 Update

The transition from public housing to Section 8 reached another milestone with the closing of Hildebrandt Park



HUD's Section 18 program encourages the demolition or disposition of suboptimal or inefficient assets to improve housing in the community

HUD Initiative

Section 18
Disposition
(Non-contiguous
sites)

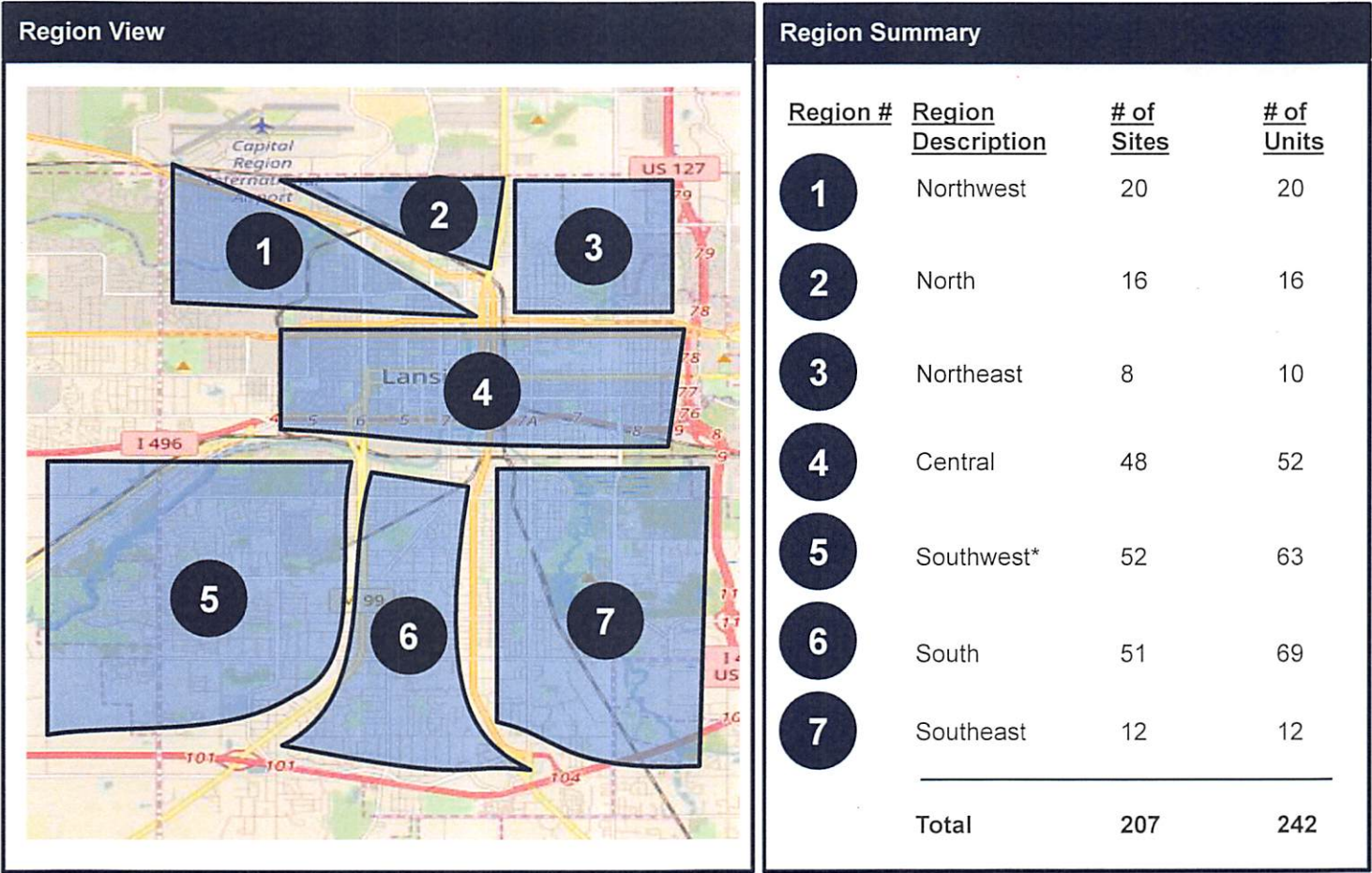
Details

- Authorizes the demolition or disposition of public housing units meeting the program criteria
- Establishes opportunities to raise funds for capital improvements through demolition or disposition
- Determines qualifications based on physical condition and unsustainable operations to properly maintain
- Includes resident relocation rights and potential homeownership opportunities
- Replaces disposed asset with new HUD vouchers
- Outlines rules and regulations for future use of funds
- Requires environmental review, approved by responsible entity

Benefits

- Capital influx to further support affordable housing in the area
- Redirect capital to higher value activities
- Elimination of ineffective segments of portfolio
- Reduction of city violations and resident complaints tied to LHC

The Section 18 RFP includes a total of 207 sites and 242 units



The RFP to time of sale process which will include HUD final approval will continue throughout 2022

Activity

2020 -
2021

- Gather information about Section 18 and discuss options and requirements with HUD
- Work with City to align on program and ownership of houses
- Compile site detail and develop RFP

Oct
2021

- Distribute / post RFP

Nov
2021

- Answer all questions and clarifications from participants

Dec
2021

- Conduct site visits
- Receive RFP responses

Jan
Feb
2022

- Review of proposals, possible interviews, short list determination
- Invite short list best and final offers and clarifications due
- Select proposed buyers, start negotiating terms of LOI

We are here

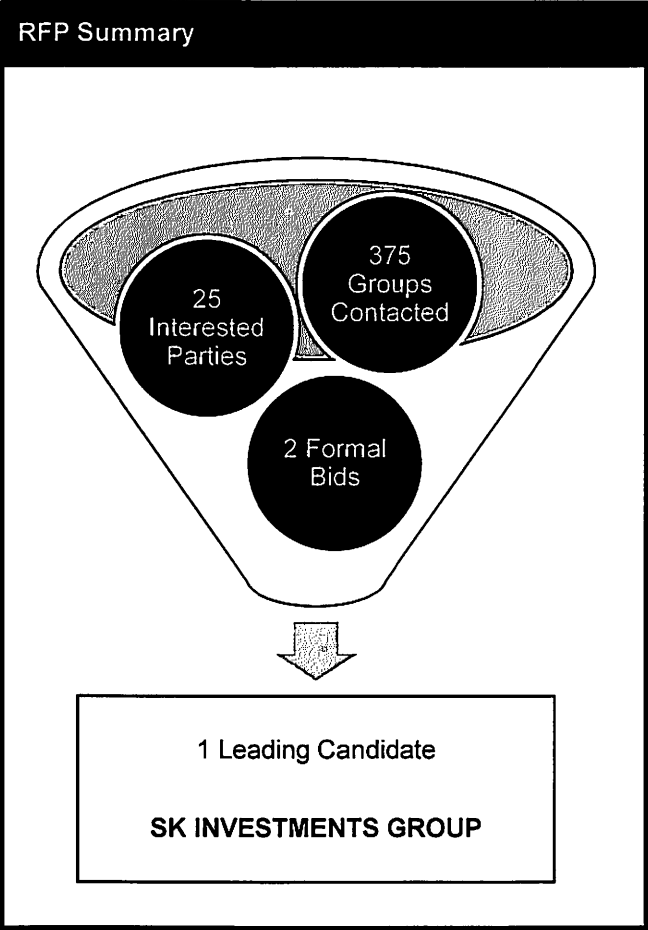
March
2022

- Submit Section 18 application to HUD for approvals
- Begin executing purchase and sales contracts

2022

- Receive HUD Section 18 application approvals, begin closing
- Complete closing real estate transactions

The RFP reached hundreds of organizations which led to interest from dozens and a compelling bid from SK Investments Group



| SK Investments Group | |
|----------------------|--|
| General Information | <ul style="list-style-type: none">• Founded 2009• Based in Sunrise, Florida |
| Experience | <ul style="list-style-type: none">• 15 active investments in Florida, Michigan, and New Jersey• 1500 residential units• 5 development projects |
| Notable Projects | <ul style="list-style-type: none">• 200 single family homes in southeast Michigan• 250 single family homes in Pontiac, Michigan• Acquired homes from and works closely with Pontiac Housing Commission |
| Future Use | <ul style="list-style-type: none">• Leverage Project Based Vouchers through LHC, which would minimize impacts on residents |

The preliminary terms of the deal are good for the residents and community, as well as a fair market value transaction for LHC

| Preliminary Terms | |
|-------------------|--|
| Residents | <ul style="list-style-type: none"> Expected to stay in existing homes with voucher, assuming good standing and qualification Significant amount of communication will occur prior to closing transaction |
| Community | <ul style="list-style-type: none"> Committed to keeping homes affordable for 20 years Intend to work with community groups for resident services Inquired about LHC serving as management agent |
| Price | <ul style="list-style-type: none"> \$16M - \$18M <ul style="list-style-type: none"> Duplex \$140K Single Family 2BR - \$60K Single Family 3BR - \$70K Single Family 4BR - \$90K Single Family 5BR - \$100K Fair market value transaction Final number dependent on total units in transaction |

| Financial Impact to LHC | | |
|--|-------|---------|
| Transaction Scenario Estimates | Low | High |
| Potential Sales Revenue | \$16M | \$18M |
| Soft Costs | \$2M | \$1.5M |
| LHC Net Cash Gain | \$14M | \$16.5M |
| <ul style="list-style-type: none"> Final sales revenue will be determined based on the number units sold in the transaction which will be dependent on HUD approval, environmental reviews, buyer due diligence, resident qualifications, etc. Final soft costs will be determined based on the number of units sold and transactional costs for each unit | | |

The plan is to move forward with following steps and working with SK Investments Group to finalize terms of the transaction

1

Complete environmental assessments and work with the City of Lansing to sign off as the responsible entity

2

Continue discussions with HUD and submit draft Section 18 application

3

Continue to negotiate terms with SK Investments Group and enter into Letter of Intent / Purchase Sales Agreement

4

Conduct resident qualification assessments